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by deleting all language after the enacting clause and by substituting instead the following:

Section 1. Tennessee Code Annotated, Title 47, Chapter 25, is amended by adding Sections 2 through 18 of this act as a new part.

Section 2.

(a) The intent of this act is to provide a system of state trademark registration and protection substantially consistent with the federal system of trademark registration and protection under the Trademark Act of 1946, as amended. To that end, the construction given the federal act should be examined as persuasive authority for interpreting and construing this act.

(b) As used in this act, unless the context otherwise requires:

(1) A mark is deemed to be "abandoned" when either of the following occurs:

(A) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall constitute prima facie evidence of abandonment.

(B) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its

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significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.

(2) "Applicant" means the person filing an application for registration of a mark under this act, and the legal representatives, successors, or assigns of such person.

(3) "Dilution" means the lessening of the capacity of a mark to identify and distinguish goods or services, regardless of the presence or absence of (A) competition between the parties, or (B) likelihood of confusion, mistake, or deception.

(4) "Mark" includes any trademark or service mark, entitled to registration under this act whether registered or not.

(5) "Person" and any other word or term used to designate the applicant or other party entitled to a benefit or privilege or rendered liable under the provisions of this act includes a juristic person as well as a natural person. The term "juristic person" includes a firm, partnership, corporation, union, association, or other organization capable of suing and being sued in a court of law.

(6) "Registrant" as used herein means the person to whom the registration of a mark under this act is issued, and the legal representatives, successors, or assigns of such person.

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(7) "Related Company" means any person whose use of a mark is controlled by the owner of a mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used.

(8) "Secretary" means the secretary of the state or the designee of the secretary charged with the administration of this act.

(9) "Service mark" means any word, name, symbol, or device or any combination thereof used by a person, to identify and distinguish the services of one person, including a unique service, from the services of others, and to indicate the source of the services, even if that source is unknown. Titles, character names used by a person, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

(10) "Trade name" means any name used by a person to identify a business or vocation of such person.

(11) "Trademark" means any word, name, symbol, or device or any combination thereof used by a person to identify and distinguish the goods of such person, including a unique product, from those manufactured and sold by others, and to indicate the source of the goods, even if that source is unknown.

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(12) "Use" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For the purposes of this act, a mark shall be deemed to be in use (A) on goods when it is placed in any manner on the goods or other containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and the goods are sold or transported in commerce in this state, and (B) on services when it is used or displayed in the sale or advertising of services and the services are rendered in this state.

Section 3. A mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it:

- (a) consists of or comprises immoral, deceptive or scandalous matter;
- (b) consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute;
- (c) consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof;

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(d) consists of or comprises the name, signature or portrait identifying a particular living individual, except by the individual's written consent;

(e) consists of a mark which, (1) when the used on or in connection with the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of them; or (2) when used on or in connection with the goods or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them; or (3) is primarily merely a surname, provided, however, that nothing in this subsection (e) shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods or services. The secretary may accept as evidence that the mark has become distinctive, as used on or in connection with the applicant's goods or services, proof of continuous use thereof as a mark by the applicant in this state for the five (5) years before the date on which the claim of distinctiveness is made; or

(f) consists of or comprises a mark which so resembles a mark registered in this state or a mark or trade name previously used by another and not abandoned, as to be likely, when used on or in connection with the goods or services of the applicant, to cause confusion or mistake or to deceive.

Section 4. Subject to the limitations set forth in this act, any person who uses a mark may file in the office of the secretary, in a manner complying with the requirements

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of the secretary, an application for registration of that mark setting forth, but not limited to, the following information:

(a) the name and business address of the person applying for such registration; and, if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the secretary,

(b) the goods or services on or in connection with which the mark is used and the mode or manner in which the mark is used on or in connection with such goods or services and the class in which such goods or services fall;

(c) the date when the mark was first used anywhere and the date when it was first used in this state by the applicant or a predecessor in interest, and

(d) a statement that the applicant is the owner of the mark, that the mark is in use, and that, to the knowledge of the person verifying the application, no other person has registered, either federally or in this state, or has the right to use such mark either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods or services of such other person, to cause confusion, or to cause mistake, or to deceive, within this state.

The secretary may also require that a drawing of the mark, complying with such requirement as the secretary may specify, accompany the application.

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The application shall be signed and verified, by oath, or affirmation by the applicant or by a member of the firm or an officer of the corporation or association applying.

The application shall be accompanied by three (3) specimens showing the mark as actually used.

The application shall be accompanied by the application fee payable to the secretary.

Section 5.

(a) Upon the filing of an application for registration and payment of the application fee, the secretary may cause the application to be examined for conformity with this act.

(b) The applicant shall provide additional pertinent information requested by the secretary including a description of a design mark and may make, or authorize the secretary to make, such amendments to the application as may be reasonably requested by the secretary or deemed by the applicant to be advisable to respond to any rejection or objection.

(c) The secretary may require the applicant to disclaim an unregistrable component of a mark otherwise registrable, and an applicant may voluntarily disclaim a component of a mark sought to be registered. No disclaimer shall prejudice or affect the applicant's or registrant's rights then existing or thereafter

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arising in the disclaimed matter, or the applicant's or registrant's rights of registration on another application if the disclaimed matter be or shall have become distinctive of the applicant's or registrant's goods or services. Nothing in this particular section is meant to change or changes the applicant's or registrant's substantive legal rights in the enforcement of a mark as a whole.

(d) Amendments may be made by the secretary upon the application submitted by the applicant upon the applicant's agreement; or a fresh application may be required to be submitted.

(e) If the applicant is found not to be entitled to registration, the secretary shall advise the applicant thereof and of the reasons therefor. The applicant shall have a reasonable period of time specified by the secretary in which to reply or to amend the application, in which event the application shall then be reexamined. This procedure may be repeated until (1) the secretary finally refuses registration of the mark or (2) the applicant fails to reply or amend within the specified period, whereupon the application shall be deemed to have been abandoned.

(f) If the secretary finally refuses registration of the mark, the applicant may seek a writ of mandamus to compel such registration. Such writ may be granted, but without costs to the secretary, on proof that all statements in the application are true and that the mark is otherwise entitled to registration.

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(g) In the instance of applications concurrently being processed by the secretary seeking registration of the same or confusing similar marks for the same or related goods or services, the secretary shall grant priority to the applications in order of filing. If a prior-filed application is granted a registration, the other application or applications shall then be rejected. Any rejected application may bring an action for cancellation of the registration upon grounds of prior or superior rights to the mark, in accordance with the provisions of Section 10 of this act.

Section 6. Upon compliance by the applicant with the requirements of this act, the secretary shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration shall be issued under the signature of the secretary and the seal of the state, and it shall show the name and business address and, if a corporation, the state of incorporation, or if a partnership, the state in which the partnership is organized and the names of the general partners, as specified by the secretary, of the person claiming ownership of the mark, the date claimed for the first use of the mark anywhere and the date claimed for the first use of the mark in this state, the class of goods or services and a description of the goods or services on or in connection with which the mark is used, a reproduction of the mark, the registration date and the term of the registration.

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Any certificate of registration issued by the secretary under the provisions hereof or a copy thereof duly certified by the secretary shall be admissible in evidence as competent and sufficient proof of the registration of such mark in any actions or judicial proceedings in any court of this state.

Section 7.

(a) Where a registered mark or mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or its registration, provided such mark is not used in such manner as to deceive the public. If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark with respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.

(b) A registration of a mark hereunder shall be effective for a term of five (5) years from the date of registration and, upon application filed within six (6) months prior to the expiration of such term, in a manner complying with the requirements of the secretary, the registration may be renewed for a like term from the end of the expiring term. A renewal fee, payable to the secretary, shall accompany the application for renewal of the registration.

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A registration may be renewed for successive periods of five (5) years in like manner.

Any registration in force on the date on which this act becomes effective shall continue in full force and effect for the unexpired term thereof and may be renewed by filing an application for renewal with the secretary complying with the requirements of the secretary and paying the aforementioned renewal fee therefor within six (6) months prior to the expiration of the registration.

All applications for renewal under this act, whether of registrations made under this act or of registrations effected under any prior act, shall include a verified statement that the mark has been and is still in use and include a specimen showing actual use of the mark on or in connection with the goods or services.

The secretary of state shall notify registrants of marks hereunder of the necessity of renewal within the year next preceding expiration of the five (5) years from the date of registration, or last renewal, as the case may be, by writing to the last known address of the registrant.

Section 8.

(a) Any mark and its registration hereunder is assignable with the good will of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark.

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Assignment is by instruments in writing duly executed and may be recorded with the secretary upon the payment of the recording fee payable to the secretary who, upon recording of the assignment, shall issue in the name of the assignee a new certificate for the remainder of the term of the registration or of the last renewal thereof. An assignment of any registration under this act shall be void as against any subsequent purchaser for valuable consideration without notice, unless it is recorded with the secretary within three (3) months after the date thereof or prior to such subsequent purchase.

(b) Any registrant or applicant effecting a change of the name of the person to whom the mark was issued or for whom an application was filed may record a certificate of change of name of the registrant or applicant with the secretary upon the payment of the recording fee. The secretary may issue in the name of the assignee a certificate of registration of an assigned application. The secretary may issue in the name of the assignee, a new certificate or registration for the remainder of the term of the registration or last renewal thereof.

(c) Other instruments which relate to a mark registered or application pending pursuant to this act, such as, by way of example, licenses, security interests or mortgages, may be recorded in the discretion of the secretary, if such instrument is in writing and duly executed.

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(d) Acknowledgement is prima facie evidence of the execution of an assignment or other instrument and, when recorded by the secretary, the record is prima facie evidence of execution.

(e) A photocopy of any instrument referred to in subsections (a), (b), or (c), above, shall be accepted for recording if it is certified by any of the parties thereto, or their successors, to be a true and correct copy of the original.

Section 9. The secretary shall keep for public examination a record of all marks registered or renewed under this act, as well as a record of all documents recorded pursuant to Section 8.

Section 10.

(a) The secretary shall cancel from the register, in whole or in part:

(1) Any registration concerning which the secretary shall receive a voluntary request for cancellation thereof from the registrant or the assignee of record;

(2) All registrations granted under this act and not renewed in accordance with the provisions hereof;

(3) Any registration concerning which a court of competent jurisdiction finds that:

(A) the registered mark has been abandoned;

(B) the registrant is not the owner of the mark;

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(C) the registration was granted improperly;

(D) the registration was obtained fraudulently;

(E) the mark is or has become the generic name for the goods or services, or a portion thereof, for which it has been registered; provided, however, that a registered mark shall not be deemed to be the generic name of goods or services solely because such mark is used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services or in connection with which it has been used;

(F) the registered mark is so similar, as to be likely to cause confusion or mistake or to deceive, to a mark registered by another person in the United States Patent and Trademark Office prior to the date of the filing of the application for registration by the registrant hereunder, and not abandoned; provided, however, if the registrant proves that the registrant is the owner of a concurrent registration of a mark in the United States Patent and Trademark Office covering an area including this state, the

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registration hereunder shall not be cancelled for such area of the
state, or

(4) When a court of competent jurisdiction shall order cancellation of a
registration on any ground.

Section 11. The secretary shall by regulation establish a classification of goods and services for convenience of administration of this act, but not to limit or extend the applicant's or registrant's rights, and a single application for registration of a mark may include any or all goods upon which, or services with which, the mark is actually being used indicating the appropriate class or classes of goods or services. When a single application includes goods or services which fall within multiple classes, the secretary may require payment of a fee for each class. To the extent practical, the classification of goods and services should conform to the classification adopted by the United States Patent and Trademark Office.

Section 12. Any person who shall for himself or herself, or on behalf of any other person, procure the filing or registration of any mark in the office of the secretary under the provisions hereof, by knowingly making any false or fraudulent representation or declaration, orally or in writing, or by any other fraudulent means, shall be liable to pay all damages sustained in consequence of such filing or registration, to be recovered by or on behalf of the party injured thereby in any court of competent jurisdiction.

Section 13. Subject to the provisions of Section 15 hereof, any person who:

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(a) uses, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this act in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive as to the source of origin of such goods or services; or

(b) reproduces, counterfeits, copies or colorably imitates any such mark and applies such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale or other distribution in this state of such goods or services; is liable in a civil action by the registrant for any and all of the remedies provided in Section 15 hereof, except that under subsection (b) the registrant is not entitled to recover profits or damages unless the acts have been committed with the intent to cause confusion or mistake or to deceive.

Section 14. The owner of a mark which is famous in this state is entitled, subject to the principles of equity, to an injunction against another's use of a mark, commencing after the owner's mark becomes famous, which causes dilution of the distinctive quality of the owner's mark, and to obtain such other relief as is provided in this section. In determining whether a mark is famous, a court may consider factors such as, but not limited to:

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(a) the degree of inherent or acquired distinctiveness of the mark in this state;

(b) the duration and extent of use of the mark in connection with the goods and services;

(c) the duration and extent of advertising and publicity of the mark in this state;

(d) the geographical extent of the trading area in which the mark is used;

(e) the channels of trade for the goods or services with which the mark is used;

(f) the degree of recognition of the mark in its and in the other's trading areas and channels of trade in this state; and

(g) the nature and extent of use of the same or similar mark by third parties.

The owner of a famous mark is entitled only to injunctive relief in this state in an action brought under this section, unless the subsequent user acted with the intention

(a) to trade on the owner's reputation, or (b) to cause dilution of the owner's mark. If such intent is proven, the owner is also be entitled to the remedies set forth in this act, subject to the discretion of the court and the principles of equity.

Section 15. Any owner of a mark registered under this act may proceed by suit to enjoin the manufacture, use, display and or sale of any counterfeits or imitations

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thereof and any court of competent jurisdiction may grant injunctions to restrain such manufacture, use, display or sale as may be by such court deemed just and reasonable, and may require the defendants to pay to such owner all profits derived from and/or all damages suffered by reason of such wrongful manufacture, use, display or sale; and such court may also order that any such counterfeits or imitations in the possession or under the control of any defendant in such case be delivered to an officer of the court, or to the complainant, to be destroyed. The court, in its discretion, may enter judgment for an amount not to exceed three (3) times such profits and damages and/or reasonable attorneys' fees of the prevailing party in such cases where the court finds the other party committed such wrongful acts with knowledge or in bad faith or otherwise as according to the circumstances of the case.

The enumeration of any right or remedy herein shall not affect a registrant's right to prosecute under any penal law of this state.

Section 16.

(a) Actions seeking cancellation of a mark registered pursuant to this act or in mandamus to compel registration of a mark pursuant to this act shall be brought in the chancery court. In an action in mandamus, the proceeding shall be based solely upon the record before the secretary. In an action for cancellation, the owner of the mark which is the subject of the registration sought to be cancelled shall be named as a party to the preceding; provided, further that

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the secretary shall not be made a party to the proceeding but shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall be given the right to intervene in the action, seeking cancellation of the mark registered pursuant to this act. An action seeking cancellation may be filed by any person who believes that he is or will be damaged by the continued registration in this state of such mark.

(b) In any action brought against a non-resident registrant, service may be effected upon the secretary as agent for service of the registrant in accordance with the procedures established for service upon non-resident corporations and business entities under Tennessee Code Annotated, Title 20, Chapter 2, Part 2.

Section 17. Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law.

Section 18. The secretary shall by regulation prescribe the fees payable for the various applications and recording fees and for related services. Unless specified by the secretary, the fees payable herein are not refundable.

Section 19. If any provision hereof, or the application of such provision to any person or circumstance is held invalid, the remainder of this act shall not be affected thereby, and to that effect the provisions of this act are severable.

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Section 20. This act shall take effect July 1, 1995, the public welfare requiring it,
but shall not affect any suit, proceeding or appeal then pending.